

HOUSE BILL 3277  
By Sargent

AN ACT to amend Tennessee Code Annotated, Section  
56-50-102, relative to life settlements.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-50-102, is amended by deleting subdivision (5) and substituting instead the following language:

(5) "Life settlement contract" means a written agreement which establishes the terms under which compensation or anything of value is paid, which compensation or anything of value is less than the expected death benefits of the policy, in return for the viator's assignment, transfer, sale, devise, or bequest for the death benefit or ownership of any portion of the policy. It includes any agreement under which the insured, viator, policyholder or the designee of the insured, policy owner or viator receives or is to receive consideration in exchange for the designation of or consent to assignment or transfer for the ownership or beneficiary interest in a policy regardless of the date that the consideration is provided to such person or the transfer or assignment occurs. A life settlement contract also includes any premium financing transaction or agreement collateral thereto which provides a guarantee of a policy's life settlement value, but does not include a policy loan by the insurer pursuant to the policy terms or a loan by a licensed lending institution that takes a collateral assignment of a policy solely as security for the loan and not as part of or in connection with an agreement guaranteeing a life settlement value.

SECTION 2. This act shall take effect July 1, 2006, the public welfare requiring it.